

SUPPORTING STATEMENT
FOR THE PAPERWORK REDUCTION ACT INFORMATION COLLECTION
SUBMISSION FOR FORM 5

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Under Section 16(a) of the Securities Exchange Act of 1934 (“Exchange Act”), every person who is directly or indirectly the beneficial owner of more than 10 percent of any class of any equity security (other than an exempted security) which is registered pursuant to Section 12 of the Exchange Act, or who is a director or an officer of the issuer of such security (collectively “reporting persons”), must file statements with the Commission setting forth their security holdings in the issuer. Form 5 is used by reporting persons as an annual statement of beneficial ownership of securities and must be filed on or before the 45th day after the end of the issuer’s fiscal year end.

Congress enacted Section 16 in 1934 to provide public transparency of insider transactions. Congress also updated the Section 16 reporting requirements through the Sarbanes-Oxley Act of 2002. Section 16 was updated because Congress found evidence of officers, directors, and major shareholders who manipulated stock prices and profited from information at their disposal. The section was intended to be a defense to curb such abuses through disclosure and short-swing profit recovery.

2. Purpose and Use of the Information Collection

The principal purpose of this form is to disclose the transactions and holdings of directors, officers and beneficial owners of issuers with a class of securities registered under the Exchange Act. These corporate insiders must file a Form 5 to report any transactions that should have been reported earlier or were eligible for deferred reporting. Information disclosed will be a matter of public record and available for inspection by members of the public.

3. Consideration Given to Information Technology

The Commission requires the electronic filing of Form 5 through the Electronic Data Gathering, Analysis and Retrieval (EDGAR) computerized filing system.

4. Duplication of Information

Although some of the Form 5 disclosure requirements may overlap with the Form 144 and Schedule 13D and G reporting requirements, such requirements serve different purposes and affect different classes of filers.

5. Reducing the Burden on Small Entities

Only reporting persons of small entities that have securities registered under Exchange Act Section 12 are subject to the information collection requirements of Form 5.

6. Consequences of Not Conducting Collection

The legislative intent behind this information collection could not be met by fewer collections. The protection of investors as mandated by the federal securities laws requires insiders of companies with securities registered under Section 12 to disclose basic information about their securities ownership and transactions.

7. Special Circumstances

There are no special circumstances.

8. Consultations with Persons Outside the Agency

No comments were received during the 60-day comment period prior to OMB's review of this submission.

9. Payment or Gift to Respondents

No payment or gift to respondents.

10. Confidentiality

Filings made on Form 5 are available to the public at www.sec.gov.

11. Sensitive Questions

No information of a sensitive nature, including social security numbers, will be required under this collection of information. The information collection collects basic Personally Identifiable Information (PII) that may include: name, address and zip code. However, the agency has determined that the information collection does not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the EDGAR system, in connection with this collection of information. The EDGAR PIA, published on February 5, 2020, is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. Estimate of Respondent Reporting Burden

For purposes of the Paperwork Reduction Act (“PRA”), we estimate that it takes approximately one burden hour to prepare Form 5 and that the form is filed by 5,939 respondents. We further estimate that 100% of the burden is prepared by the filer. Based on our estimates, we calculated the total reporting burden to be 5,939 hours (one hour per response x 5,939 responses). We derived our burden hour estimates by estimating the average number of hours it would take an issuer to compile the necessary information and data, prepare and review disclosure, file documents and retain records. In connection with rule amendments to the form, we occasionally receive PRA estimates from public commenters about incremental burdens that are used in our burden estimates. We believe that the actual burdens will likely vary among individual issuers based on the nature of their operations. The burden estimate for the burden hours is made solely for the purpose of the Paperwork Reduction Act.

13. Estimate of Total Annualized Cost Burden

Form 5 is prepared by the filer or by in-house counsel as opposed to outside counsel.

14. Costs to Federal Government

The annual cost of reviewing and processing disclosure documents, including registration statements, post-effective amendments, proxy statements, annual reports and other filings of operating companies amounted to approximately \$103,479,690 in fiscal year 2019, based on the Commission’s computation of the value of staff time devoted to this activity and related overhead.

15. Reason for Change in Burden

There is no change in burden.

16. Information Collection Planned for Statistical Purposes

The information collection does not employ statistical methods.

17. Approval to Omit OMB Expiration Date

We request authorization to omit the expiration date on the electronic version of the form. Including the expiration date on the electronic version of the form will result in increased costs, because the need to make changes to the form may not follow the application’s scheduled version release dates. The OMB control number will be displayed.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to certification for the Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.